



Monthly Brief #12, April 2025

It is time to Free the Financial Sector of India

India's push to deregulate aims to boost business, but financial sector reforms lag behind. While non-financial sectors have dedicated deregulation commissions, the Financial Stability and Development Council (FSDC) merely reviews existing regulations. FSDC's design limits its ability to assess regulatory costs, explore alternatives, or drive reform, since it comprises regulators and government officials who often resist change.

A dedicated deregulation commission for the financial sector is essential. It should incorporate a Regulatory Impact Assessment (RIA) framework, drawing on external expertise to evaluate trade-offs, design alternatives, and challenge entrenched interests. Current financial laws favour state-owned players, who are shielded from competition and capital constraints but expected to fulfil developmental goals — often at the cost of efficiency and consumer benefit.

This imbalance results in poor service quality and high costs. The International Monetary Fund has urged regulatory consistency between state and private entities. Meanwhile, regulators exercise excessive discretion, blocking market entry for legitimate smaller players with opaque and stringent conditions.

Furthermore, financial regulators increasingly intrude into non-financial domains like data and AI, risking fragmented standards. To align financial reform with broader economic deregulation, India must establish an empowered, independent deregulation commission for the financial sector. Without it, broader reforms will falter.

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Editor

Abridged from an article appeared in The Economic Times, April 15, 2025. The same can be accessed at: <https://economictimes.indiatimes.com/opinion/et-commentary/its-time-to-free-the-finance-sector/articleshow/120319373.cms?from=mdr>

Message for our Readers

The twelfth edition of the National Affairs Monthly Brief contains selected published news or comments on trade, regulatory, and governance issues.

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India Eases Air Cargo Imports, Waives Transshipment Fees

To enhance trade facilitation and align with international best practices, India has introduced a simplified and harmonised procedure for the temporary import of unit load devices (ULDs) and air cargo containers. Under the revised framework, air carriers and air console agents can temporarily import ULDs outside the customs area by executing a continuity bond and must re-export the units within the prescribed timeframe.



BBIN Motor Vehicle Pact Protocol Finalised



A decade after signing the Motor Vehicles Agreement (MVA) for the regulation of passenger, personal and cargo vehicular traffic between Bangladesh, Bhutan, India and Nepal (BBIN) have finalised the text of protocol to ensure smooth transport. The protocol is the first of its kind in South Asia. Besides the MVA, the BBIN countries also envisage interconnected grids for regional energy security.

- [U.S. Treasury: India Could Be Among First Trade Deals](#)
The Hindu, April 29, 2025
- [Sebi Sets Rules to Withdraw ESG Ratings](#)
The Economic Times, April 29, 2025
- [RBI: India to Gain from Supply Chain Shifts](#)
Business Standard, April 22, 2025
- [India Hits Record Renewable Growth in FY25](#)
Meena Janardhan, Gulf Today, April 22, 2025



Google Settlement: Turning Point for Indian Antitrust

In a major breakthrough for India's competition law enforcement, the Competition Commission of India (CCI) has, for the first time, accepted a settlement proposal from Google. The tech giant will pay ₹202.4mn (US\$2.44mn) and implement sweeping changes to its Android TV licencing practices to close the investigation into its alleged abuse of dominance.



India Eases M&A Rules



To streamline corporate restructuring and ease doing business, India's Ministry of Corporate Affairs (MCA) has proposed expanding fast-track mergers under Section 233 of the Companies Act, 2013. The draft, issued on April 05, 2025, extends simplified merger procedures to more unlisted and low-debt companies.

- [Jio to Offer Starlink Hardware in Reliance-SpaceX Deal](#)
The Economic Times, April 25, 2025
- [Govt Silent on MTNL Defaults as BSNL Takes Over](#)
Sapna Das, CNBC TV18, April 21, 2025
- [Airports Urge Govt to Ease Rules for International Carriers](#)
The Economic Times, April 18, 2025
- [Digital Competition: India Targets Big Tech, Not Startups](#)
Gireesh Chandra Prasad, Mint, April 07, 2025



New Traffic Radar Rules to Come into Effect

To bolster road safety and enforcement accuracy, the government will implement new regulations from July 01, 2025, mandating verification and stamping of traffic radar equipment. These rules, under Legal Metrology guidelines, ensure precise speed and distance measurements, preventing unfair penalties.



Women Hold 39.2% of Bank Accounts in India, 42.2% in Rural Areas



Women in India own 39.2 percent of all bank accounts, with an even higher percentage of 42.2 percent in rural areas, according to a government report. The Ministry of Statistics and Programme Implementation (MoSPI) released the 26th edition of its publication titled "Women and Men in India 2024: Selected Indicators and Data."

- [ATM Withdrawals to Cost ₹23 from May 1: RBI](#)
India Today, April 30, 2025
- [FPOs Tap ONDC, GeM, e-NAM to Boost Sales](#)
The Financial Express, April 14, 2025
- [World Health Day 2025: India Reforms Healthcare with Ayushman Bharat](#)
Times of India, April 07, 2025
- [From Food Security to Farmer Prosperity: A New Focus](#)
Hindustan Times, April 07, 2025

Publications

- ESG Tools, Investment Decisions and Workers' Welfare: *A Case Study of India*
<https://cuts-ccier.org/pdf/research-report-esg-tools-investment-decisions-workers-welfare-a-case-study-of-india.pdf>